

MAR 15 2006

S.C.R. NO. 11

SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY
AND ANALYSIS OF THE ADEQUACY OF PAYMENTS FOR HEALTH CARE
FUNDED BY THE STATE AND THE ADEQUACY OF PAYMENTS FOR HEALTH
CARE USING RATES ESTABLISHED BY THE STATE.

1 WHEREAS, the critical financial condition of hospitals,
2 long term care facilities, and other health care providers has
3 been well-documented recently in a series of articles by Helen
4 Altonn that were published by the Honolulu Star-Bulletin and an
5 article by Rob Perez that was published by the Honolulu
6 Advertiser; and

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8 WHEREAS, these articles made the following points:

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10 (1) Patients demand to be diagnosed and treated with the
11 latest technology, which is very expensive;
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13 (2) The need for expensive institutionalized long term
14 care is substantial and is expected to grow as the
15 "baby boomers" age;
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17 (3) Health care facilities have incurred high costs
18 related to potential terrorist threats and other
19 emergencies;
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21 (4) Providers are receiving insufficient payments for
22 health care from government payers, private insurance
23 payers, and patients who do not have insurance; and
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25 (5) Hawaii's hospitals have incurred more than
26 \$500,000,000 in losses due to bad debt and charity
27 care since 2000; and

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29 WHEREAS, the State pays for a considerable amount of health
30 care and also controls certain types of payments for health care
31 made to providers; and
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1 WHEREAS, it is in the public interest to ensure that health
2 care payments made with state funds or controlled by the State
3 are sufficient to cover the actual costs of care; now,
4 therefore,
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6 BE IT RESOLVED by the Senate of the Twenty-Third
7 Legislature of the State of Hawaii, Regular Session of 2006, the
8 House of Representatives concurring, that the Legislative
9 Reference Bureau is requested to conduct an analysis of the
10 adequacy of the health care payment rates established by the
11 State and state-funded health care payments and reimbursements
12 to health care providers, and the relationship of the government
13 standard to reimbursement of health plan insurers; and
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15 BE IT FURTHER RESOLVED that the study conducted by
16 Legislative Reference Bureau shall include:
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- 18 (1) Recommendations for increasing state-funded health
19 care payments to providers that adequately reimburse
20 for the actual costs of health care services provided;
21 and
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- 23 (2) A method of updating payments and reimbursements to
24 health care providers every two years to keep pace
25 with inflation; and
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27 BE IT FURTHER RESOLVED that the Legislative Reference
28 Bureau shall report findings and recommendations to the
29 Legislature no later than twenty days prior to the convening of
30 the Regular Session of 2007; and
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32 BE IT FURTHER RESOLVED that certified copies of this
33 concurrent resolution be transmitted to the Governor, the
34 Director of Health, the Director of Human Services, the
35 Insurance Commissioner, the Acting Director of the Legislative
36 Reference Bureau, the Chief Executive Officer of the Healthcare
37 Association of Hawaii, and the Chief Executive Officer of the
38 Hawaii Medical Association.
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